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ABSTRACT

The Waukesha County Technical College (WCTC) Financial Activity & Condition Taxpayer Summary (FACTS) provides a brief report on the financial operations of the college. The summary is prepared for the local community, which provides property and business tax and other support to WCTC. Press releases on the FACTS availability were sent out by WCTC and copies of the document were sent to various constituencies, all in the effort to help meet the college's public accountability obligation. Key elements of the summary include: (1) a message from the Board describing accomplishments, commitment to quality, planning issues and concerns facing WCTC; (2) a President's Outlook, which discusses the college's role in the local education community and the global marketplace; (3) recent service efforts and accomplishments; (4) a brief history of the college; (5) current college financial condition, assets, and liabilities; (6) college financial activity, revenues, and expenditures; (7) taxing district statistics; (8) property values and taxes; and (9) student information and graduate follow-up. Total assets increased from $60 million to $62 million between 1997 and 1998, while the general balance fund decreased from $14.6 million to $13.9 million. (RDG)

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Enriching Lives For 75 Years

WAUKESHA COUNTY TECHNICAL COLLEGE

Pewaukee, Wisconsin

ED 433 893

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Financial Activity & Condition Taxpayer Summary

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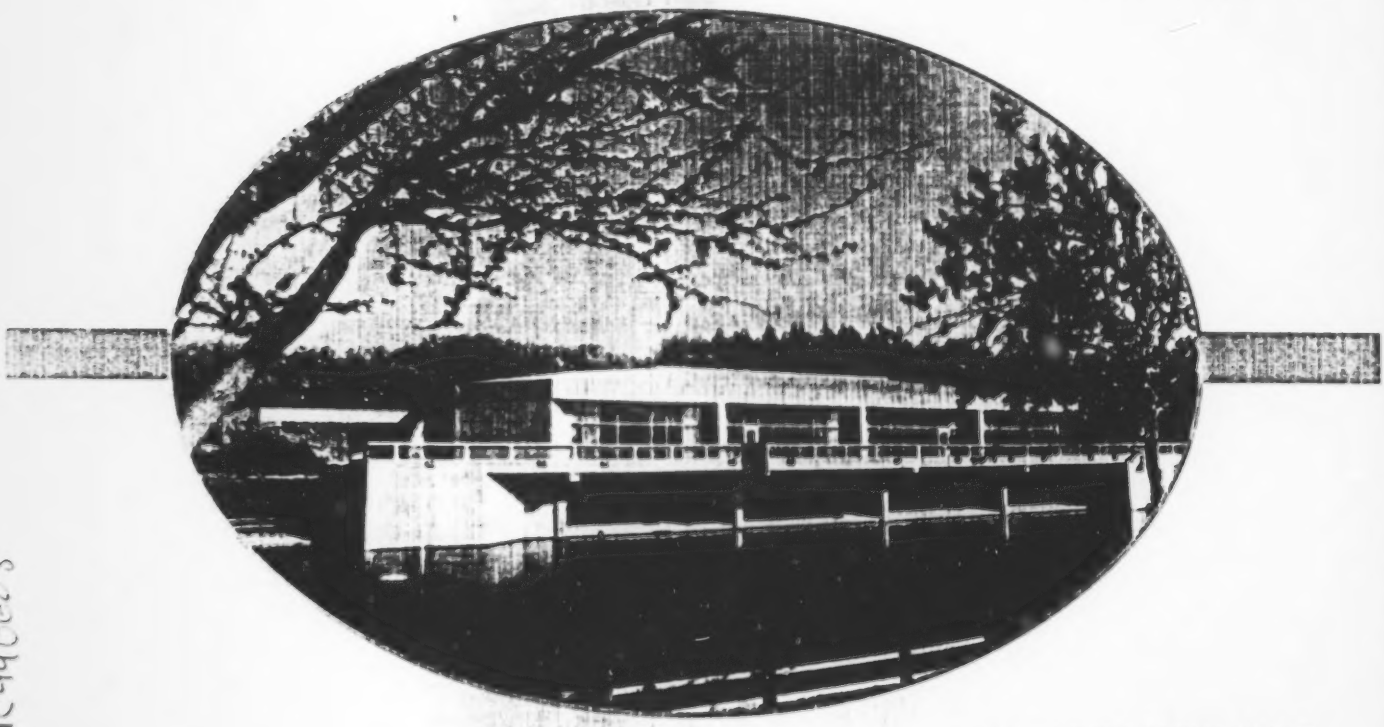

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For The Fiscal Year Ended June 30, 1998

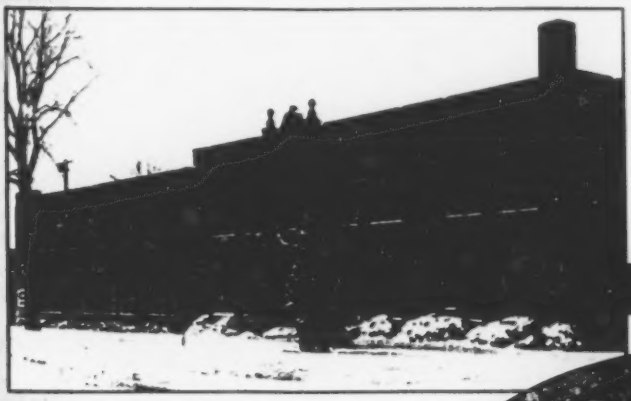
Picture on Cover

This year marks the 75th anniversary of Waukesha County Technical College–75 years of enriching the lives of the people of Waukesha County. The college has grown from a small city vocational school in 1923 with 443 students to a county-wide technical college with an enrollment of more than 35,000 full and part-time students in 1998.

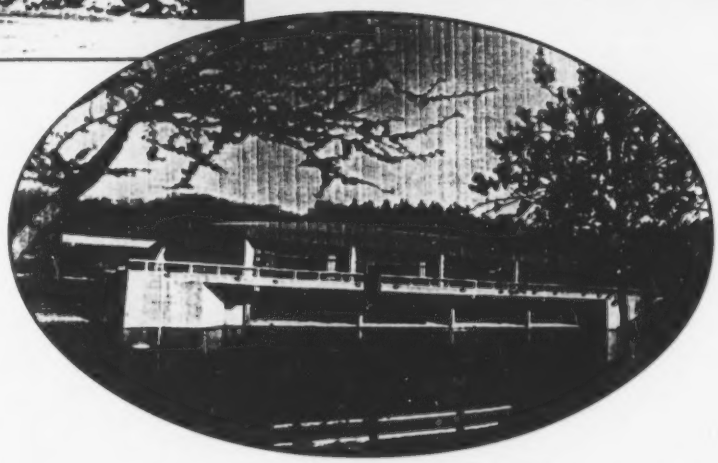
Thanks to the contributions of hundreds of staff members working together over the past 75 years, WCTC is today recognized as one of the premier institutions of occupational and technical education in the United States.

Finding innovative means of keeping pace with the rapidly changing needs of today's and tomorrow's workforce will continue to be integral to the next 75 years of WCTC's history. WCTC looks forward to its future in Waukesha County and the State of Wisconsin–eager to meet the challenges that the new millennium will bring.

WCTC celebrated its 75th Anniversary with a series of special events, publicity stories and a published history of the college. Keynote speaker William F. Buckley, Jr. kicked off the year-long slate of events at the second annual Business and Industry Luncheon which attracted 350 community and business leaders.



Maple Avenue School
(1953-1972)



Pewaukee Campus Library
(1972-present)

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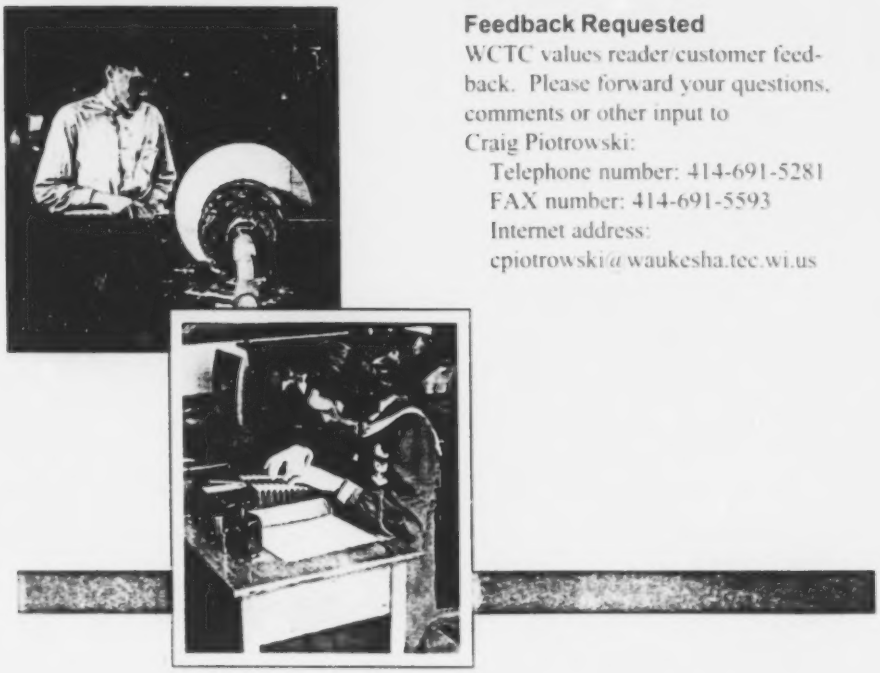

Feedback Requested

WCTC values reader/customer feedback. Please forward your questions, comments or other input to Craig Piotrowski:

Telephone number: 414-691-5281
FAX number: 414-691-5593
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"... when the organization is willing to give public voice to information– to listen to different interpretations and to process them together– the information becomes amplified ... creative responses emerge and significant change becomes possible."

– Margaret J. Wheatley

Acknowledgments

This FACTS report was created and written by Craig Piotrowski (CPA) with design and layout by Lauretta Wenger of WCTC.

Special thanks to Dr. Richard Anderson and the WCTC Board for their vision, encouragement, input and support.

WCTC also thanks the following individuals for their contributions to this report: Cary Tessmann (CPA & CMA), Gayle Graham, Richard Anderson (Ed.D.), Karen Aamot, Liane Dolezar, Kathleen Yindra, Simon Tai, Mary Gonzales, Julie McIntosh-Mrosz, Ellen Mei, and Jill Metzger of WCTC; Steven Pawlow and Lori Dreckmann (CPAs) of KPMG Peat Marwick LLP (public accountants); Ed Virnig (CPA) of Virnig SC (public accountant and WCTC's internal auditor); Bert Edwards (CPA); and Keith Kolb and Michele Wiberg of Robert W. Baird & Co. (investment banking).

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O.B Lindholm,
director 1923-1949

Tony Natalizio,
director 1949-1973

Richard T. Anderson, Ed.D.
President 1973 to present

Report Purpose and Distribution Information

The purpose of this report is to provide information in a clear and concise manner. Press releases and a public notice regarding this report's availability have been sent to and published in area newspapers. Copies have been sent to libraries, legislators, municipalities, taxpayer groups, area businesses, and individuals.

Recipients of this report are encouraged to display it in public areas and freely share its content with others to help minimize distribution costs. WCTC employees received this report for their information and to share with our advisory committees and other interested parties.

This report is not copyrighted so it may be duplicated.

THE 1998 FACTS REPORT

October 26, 1998

The Financial Activity & Condition Taxpayer Summary (FACTS) provides a concise report on the financial position and operations of Waukesha County Technical College (WCTC) for the fiscal year ended June 30, 1998. This Summary is prepared for local business and community taxpayers who provide property tax and other support to WCTC.

Because this Summary simplifies and condenses our 1998 Comprehensive Annual Financial Report (which is over 100 pages long) for all WCTC funds and account groups, it does not conform to established generally accepted governmental accounting principles and related reporting standards.

WCTC's 1998 Comprehensive Annual Financial Report has been audited by the public accounting firm of KPMG Peat Marwick LLP and conforms to generally accepted accounting principles.

For more than fifteen years, our comprehensive annual financial reports have received financial reporting awards from the Government Finance Officers Association (GFOA), the Association of School Business Officers International, and the Wisconsin Governmental Reporting Awards Through Evaluation Program. WCTC's 1997 FACTS report received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting. These reports, with the help of input received from reporting award programs and research of the Governmental Accounting Standards Board, are the foundation for this Summary and help us to meet our public accountability obligation.

As you review this Summary, please share any questions, concerns or suggestions you may have about WCTC to help us meet our stewardship responsibility. Please call Craig Piotrowski at 414-691-5281 to request our budget document, our comprehensive annual financial report, our vision strategic plan, or other information.

Sincerely,

Richard T. Anderson, Ed.D.
President

Richard T. Anderson

Craig L. Piotrowski, CPA
Vice President of Financial
& Administrative Services

Craig L. Piotrowski

Susan E. Bischmann
WCTC Board Chair

Susan E. Bischmann

Thomas E. Neill
WCTC Board
Secretary Treasurer

Thomas E. Neill

"Now, what I want is FACTS. . . . FACTS alone are wanted in life. Plant nothing else, and root out everything else."

~ Charles Dickens

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MESSAGE FROM WCTC BOARD MEMBERS

"If there is no accountability, people gradually lose their sense of responsibility"

~ Stephen R. Covey

WCTC is a "learning organization" deeply concerned about the learning needs of its stakeholders (students, taxpayers, employees and other customers). Our ongoing goals are designed to provide valuable educational services to our students, employers, and community in a manner that is sensitive to our taxpayers.

Our customers and peers have told us that WCTC is an educational leader in Wisconsin and in the nation. To maintain this leadership, we regularly evaluate our educational programs and services with groups of independent reviewers. Also, we have hundreds of area employers, employees and students who serve on many College advisory committees that meet regularly to review our programs and give feedback to our faculty and staff.

WCTC is proud of our employees who create and maintain outstanding educational services. We employ highly-qualified and motivated personnel in all facets of our operations. We are committed to helping employees develop occupational skills and to attain balance in interpersonal relationships to ensure a highly-effective workforce.

We further acknowledge our responsibility to taxpayers. We demonstrate accountability for our resources through productive management practices, accounting systems, and operating processes. These processes contribute to WCTC's ability to provide quality services to our community. Also, independent public accountants review our operations, accounting records and financial reports annually to help verify that WCTC meets its stewardship responsibility. Our Board meets regularly with independent auditors and management to share necessary information and to help plan, lead and review WCTC operations.

This Financial Activity and Condition Taxpayer Summary report shows that WCTC's financial condition is excellent, which is also reflected by our Aaa bond rating.

Critical Concerns

Although WCTC is in excellent financial condition, our College faces challenges and critical concerns that include:

Recently our faculty union petitioned to redefine or reconfigure their existing bargaining unit and to form a second bargaining unit primarily of non-represented professional employees who work less than 50% of a full workload. College management is not in agreement with this petition although it supports the right of all faculty and other professional employees to choose to be represented by a union. Also, we have recognized a lack of shared understanding and mutual trust in our labor negotiation process. We have engaged in dialogue with our faculty and support staff unions' leaders and members to focus on how we can work together to improve our labor relationships and negotiation process. We are seeing some signs that give us hope for positive change, and both WCTC union leadership and the Board are committed to working to improve our labor relations.

Increased use of distance learning delivery systems and technology as a classroom learning tool necessitate costly investments in operational costs and capital assets. Changing technology challenges the knowledge and skill levels of our faculty and staff to provide state-of-the-art student learning support systems. Labor market needs require continuous improvement of existing programs and development of new programs for emerging occupations. In response to these challenges, WCTC is currently involved in a facility planning effort that may result in asking our taxpayers to approve a referendum for the construction and equipping of additional educational facilities next year.

When students come to WCTC, many of them lack the basic skills to be successful in an educational process. Therefore, it is necessary--but very costly--to provide our students with needed basic and critical life skills, along with supporting student assessment and advising services, that will enable them to be independent and successful. These changes are a part of the process of our becoming a more student-learning centered organization.

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Although we are pleased with WCTC's effectiveness, our measures of efficiency in our educational process (cost per student contact hour, class size, etc.) continue to be disappointing. Our labor costs are increasing at a faster pace than most of our revenue sources, while enrollments are not increasing due primarily to high employment levels in our taxing district. Our post-employment healthcare benefits, which are comparable for union and non-union employees, exceed most similar benefits for public and private sector entities; and these benefits and a related lump-sum pension liability payment account for major increases in our overall costs this year.

Finally, we are concerned about emerging trends in our revenue and cost relationships. Changing state and federal funding levels, distribution methods, and unfunded initiatives are adding to the burden on our property taxpayers.

Positive Factors

WCTC is committed to minimizing our property tax burden and to keeping our 1999 tax increase below 4 percent.

Our "Teaching Innovation Center" (where instructors can go to learn how to improve their teaching and to better utilize technologies in their work) and our "Teacher Improvement System" (where each instructor pursues continuous improvement based on feedback from students, employers, peers and self-evaluation) continue to have extremely favorable impacts on professional development and student-learning centered outcomes at WCTC.

The Wisconsin Technical College System is practicing more collaboration in planning and sharing efforts. WCTC is active in sharing course curriculum, library and instructional delivery systems with other colleges. Similarly, we are pleased with our continued progress in securing articulation agreements with area school districts and four-year colleges. This year WCTC implemented new student systems software; again, in the spirit of collaboration, our new system software is used by two other Wisconsin Technical College System colleges. Collaborative teamwork in student and administrative systems is preparing us to better utilize technology in support of student and other stakeholder needs. Also, the Workforce Development Center of Waukesha County and our new Community Nursing Clinic have become award-winning, collaborative-partnership models for other public and private entities.

During this year's celebration of our 75th anniversary, we reflected on our quality philosophy, leadership programs, diversity efforts, development opportunities, Child Care Center, Women's Development Center, Waukesha County Workforce Development Center and many other activities that distinguish WCTC's commitment to improvement and more diversity in our workforce; this diversity is creating synergy and value in our learning organization.

Commitment to Quality

Last year WCTC celebrated the tenth anniversary of our Quality/Value Program which has resulted in process improvement efforts throughout our College. We formally adopted Dr. W. Edwards Deming's total quality management philosophy in 1988. Today, WCTC's ongoing quality practices can be observed and experienced. We strive to promote customer focus, continuous improvement, personal empowerment and organizational alignment. Following are examples of our continuous improvement efforts and employees' dedication to our quality movement: more than 350 employees and Board members have been trained in quality principles; more than 50 employees have been trained to facilitate quality training or teams; 23 employees have been trained in Hoshin planning techniques; and more than 100 employees and Board members have been trained in Dr. Stephen R. Covey's *Seven Habits of Highly Effective People* program. Last year, WCTC hosted a *Principle-Centered Leadership* workshop which included participants from other Wisconsin Technical College System colleges, school districts and governmental entities.

William Pierce with blueprints for the 1972 campus.

An original district board member was the late William Pierce, who served in this capacity for more than 25 years before retiring in 1994.

Stakeholder Support & Stewardship

We thank our stakeholders for their financial and other support that makes WCTC an asset to our community and one of the finest two-year colleges in our country.

We continue to improve our planning and Board governance process. Our related efforts to be outcome-focused are helping us navigate WCTC to key outcomes. These efforts are helping to increase our effectiveness through empowering our employees with a student-learning centered focus.

As Board members, we are responsible for all facets of WCTC; and we are deeply committed to being accountable to taxpayers and other stakeholders. Our College has defined accountability as the stewardship responsibility WCTC has to its stakeholders to explain and clearly report its use of resources and the results of its efforts to achieve organizational objectives. This FACTS report is one way we communicate with our stakeholders to meets our stewardship responsibility.

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WCTC BOARD MEMBERS

Board members are qualified to serve and provide a critical balancing perspective on WCTC's vision and direction. In addition to nine appointed members, we have invited three non-voting representatives to join our membership: a WCTC student representative–Willie Hodgins; a WCTC faculty representative–Ellen Mei; and a WCTC support staff representative–Anthony Drehfal. Our members live, work, and pay taxes in our district and include: professional educators, an elected official, current and former students, and organized labor and business leaders. The WCTC Board is a cohesive, interdependent team that works and serves well together.

Susan Bischmann, Chair, is the executive director of the Cooperating Congregations of Greater Waukesha County, Inc., lives in the Town of Waukesha, and has been a Board member since 1992.

Thomas Neill, Secretary/Treasurer, is the clerk-treasurer of the City of Waukesha where he lives, and has been a Board member since 1990.

"The learning organization must be a teaching organization."

~Ikujiro Nonaka

Ronald Bertieri, Vice Chair, is the owner/CEO of Ro-An Corporation, lives in the Village of Menomonee Falls, and has been a Board member since 1995.

David Bahl is owner/president of Weldall Manufacturing, lives in the Town of Waukesha, and has been a Board member since 1990.

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Dr. Kathleen Cooke is the superintendent of Hamilton School District, lives in the Village of Menomonee Falls, and has been a Board member since 1994.

Anita Rodriguez is the director for program services for the Girl Scouts of Milwaukee Area, lives in the Town of Delafield, and has been a Board member since 1995.

Judith Finkler is a nurse at Memorial Hospital Oconomowoc, lives in the Village of Wales, and became a Board member in 1996.

Joan Jenstead is the national director of property operations for National Realty Management, Inc., lives in the City of Brookfield, and has been a Board member since 1984.

"What an organization needs is not just good people; it needs people that are improving with education."

~W. Edwards Deming

Gary Hamilton is the business manager of the Plumbers Union Local #75, lives in the Town of Delafield, and has been a Board member since 1986.

THE PRESIDENT'S OUTLOOK

"Leaders of learning organizations . . . must be able to help people understand the systemic forces that shape change. . . . Leaders in learning organizations have the ability to conceptualize their strategic insights so that they become public knowledge, open to challenge and further improvement."

~ Peter M. Senge

For more than three years, Waukesha County Technical College has been deliberately moving from being a teaching-centered organization to becoming a student-learning centered organization. This new model centers the total College Community around the student as learner and the learning process. It moves, by means of technology, away from the limitations of space and time into the Age of Information where teachers can assist students in pursuing personalized learning experiences and methodologies. This model calls for the College to use systems thinking, shared visions and team processes to review and evaluate its mission, goals, policies and procedures. In this model, the most important question is, "How does this decision or action affect student learning?" We believe it empowers our students to strengthen their learning skills and gain occupational competency necessary for productive employment and personal development while preparing them to take ownership in the pursuit of lifelong learning.

WCTC continues to place a strong emphasis on its involvement in the:

- Waukesha County School-to-Work Consortium.
- 2+2+2 Seamless Approach to Career Success.
- Global Marketplace and International Trade Continuing Education.

Described (in the following columns) are examples of how we are accomplishing our Board's ENDs (goals) in the areas of Occupational Competency and Educational Leadership.

Waukesha County School-to-Work Consortium

As a partner with the 12 Waukesha County area public school districts in offering valuable School-to-Work activities, such as those listed below, significant progress and success are being realized by our 16-20 year old population as they prepare for their post-high school occupation and educational goals:

- School-based learning which addresses career education, program delivery and student transition.
- Work-based learning which includes work experience, youth apprenticeships and work-site development.
- Connecting activities which encompass mentor training and high school counselors helping to expand student parent awareness of career and educational choices.

2+2+2 Seamless Approach to Career Success

The 2+2+2 concept expands our collaborative efforts with Waukesha County school districts and four-year colleges and universities. It is an effective and efficient transformation of occupational education into a college degree. High school students are provided options to take classes in their last two years of high school, transfer them into a two-year associate degree program at WCTC and go on to a participating college or university to finish a baccalaureate degree in two more years while obtaining workplace experiences.

This past year has shown significant progress in establishing additional articulation agreements with universities in the following areas:

- WCTC and Waukesha North, South and West, New Berlin West and Eisenhower, Hamilton Sussex and Kettle Moraine High Schools currently have 2+2+2 agreements with the University of Wisconsin-Stout in Printing & Publishing.
- WCTC and Arrowhead North and South, Brookfield Central and East, Catholic Memorial, Mukwonago, New Berlin West, Oconomowoc, Palmyra-Eagle, Pius XI, Waukesha North, South and West, and Wisconsin Lutheran High Schools currently have 2+2+2 agreements with Marquette University in Mechanical Design Technician.

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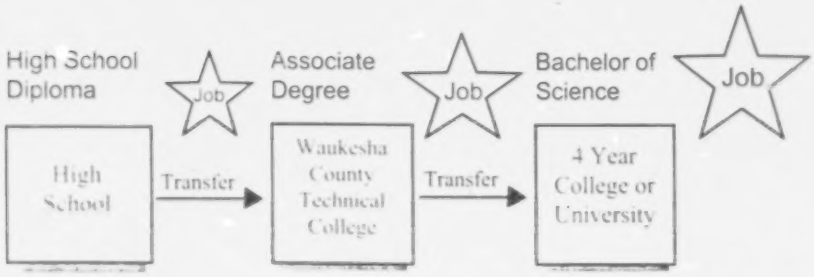


- WCTC and Oconomowoc and Mukwonago High Schools currently have 2+2+2 agreements with Marquette University in Electronics Technology.
- WCTC currently has 2+2 agreements for its students electing various career options with:
  - Carroll College in Programmer Analyst, Microcomputer Specialist, and Accounting.
  - Marquette University in Electronics, Mechanical Design Technician, Police Science and Dental Hygiene.
  - University of Wisconsin-Stout in Hospitality & Tourism Management and Printing & Publishing.
  - Mount Mary College in Fashion Marketing and Retail Management.

Global Marketplace and International Trade Continuing Education

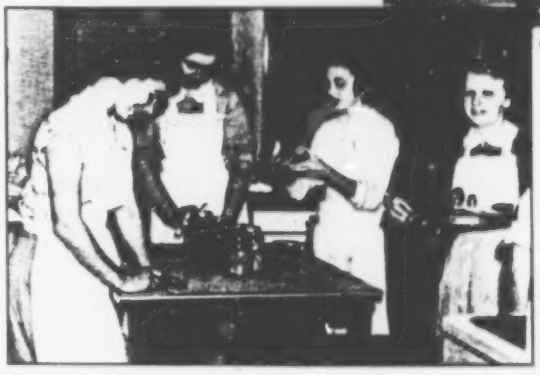
In a world economy, WCTC continuously works to improve its services to meet the occupational education and technical assistance needs of our students, employers and expanded community. To respond to the global marketplace, WCTC maintains:

- a comprehensive International Trade associate degree curriculum;
- an international trade resource library;
- partnerships with the Wisconsin Departments of Commerce and Agriculture, the Japan External Trade Organization, and the Institute of World Affairs;
- a wide variety of continuing education courses and seminars; and international trade research and technical assistance services.

In concert with our educational course offerings, WCTC provides experiences for students and staff to participate in foreign exchanges. Once again we have nine students from various countries as part of the Youth For Understanding Program and one student from Carl Duisberg Society - German Exchange. Sixteen WCTC Hospitality Management and Culinary Arts students and two instructors experienced England and France this summer in anticipation of the completion of educational articulation agreements with Plymouth College of Further Education and Plymouth University in England. Ten instructors and administrators visited WCTC this spring in conjunction with our German sister state of Hessen, as we continue to formalize more teaching learning exchanges. We recently had four German students (three in Telecommunications and Electronics and one in Banking) participate in our Hessen exchanges, and three WCTC mortgage lending students will be part of an educational exchange this autumn.

This summer, WCTC spearheaded the agreement that was signed by the Governor and the Minister President of Hessen that will lead to exchanges with the entire Wisconsin Technical College System for faculty and students.

WCTC is actively seeking educational opportunities for our students and staff to provide them with a more international perspective and to prepare them for the challenges presented in the workforce of a global economy.



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SERVICE EFFORTS & ACCOMPLISHMENTS

"If one started from focus on customer satisfaction, one would be led to the rest of Total Quality Management."

~ Harry V. Roberts and Bernard F. Sergesketter, Quality is Personal

WCTC is an organization where service efforts and accomplishments flow from its vision and outcome-driven planning process. A few of WCTC's service efforts and accomplishments that occurred this year include the following:

• The 1997 survey of our graduates indicated that nearly 97% of WCTC graduates were satisfied or very satisfied with the educational training they received.

• The 1997 survey of employers indicated 95% were satisfied or very satisfied with our graduates' technical education and 94% would hire another graduate. Over 90% of these employers said they would recommend our graduates to another employer.

• On-site program evaluations were conducted by teams of business and industry representatives and educators for the Auto Body and Paint Technician, Quality Assurance Technician, CIS-Microcomputer Specialist, Fashion Marketing, Retail Management, Property Assessment and Appraisal, and Office Equipment Repair programs. The Automotive Servicing Toyota T-10, Culinary Management, and Medical Assistant programs also underwent in-depth reviews by professional accrediting agencies to ensure that programs remain aligned with employer needs.

• Labor market studies assessed the need for new programs in Carpentry, Bricklaying Masonry, Circuit Board Design, Physical Therapy & Sports Medicine Assistant, and Physical Fitness & Exercise Science.

• WCTC conducted focus groups and an occupational analysis of network and telecommunications technicians with representatives from various companies to develop a Networking-Telecommunications associate degree program that includes training in maintaining both wide and local area computer networks. Also, focus groups were conducted to assess graduates' satisfaction with the Central Service Assistant program and to identify continuing education needs.

• A total of 338 high school diplomas were awarded to students who prepared at WCTC.

• New student assessment and advising systems were implemented.

• This year entire associate degree programs were designed to be completed on the Internet for the Financial Planning Associate, Real Estate Brokerage and Property Management programs.

• New advanced technical certificates were developed in Mold Design, Die Design, Intra/Internet Development and Advanced Computer-Aided Design.

• A new Individualized Technical Studies program was begun and is intended for currently employed individuals who have a career objective which cannot be met by WCTC's existing programs. It enables students to combine courses from two or more major areas of study to meet student needs with a unique-customized Associate of Applied Science Degree.

• More than 160 students were elected or initiated into the scholastic honorary Phi Theta Kappa Society, the National Vocational-Technical Honor Society or Who's Who in American Junior Colleges or received awards from national and state competitions related to their WCTC training.

• Business & Industry Services developed training contracts with 183 different businesses and organizations. Over 700 classes were offered with 9,421 students enrolled.

• Twenty-one faculty participated in the Instructor Occupational Competency Program that provides faculty the opportunity to work in business or industry in order to gain knowledge and skills that link classroom theory to the workplace.

• Governor Thompson visited the campus to show support for the College's faculty development efforts and to tour our Teaching Innovation Center to see how WCTC provides resources for instructors and staff to improve teaching and student learning through the use of technology.

• More than 1,500 community residents and employers and 156 local businesses attended the Waukesha County Workforce Development Center's (WDC) annual Job Fair. The WDC, area school districts and businesses co-sponsored the event which was coordinated by WCTC's Employment Opportunity Center. WCTC has been involved in the Job Fair for 16 years. A new WDC Community Career Center menu of services

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includes a computerized career exploration-assessment tool, and between September 1997 and May 1998, over 1,400 community residents completed career assessments at the WDC.

• With the Wisconsin Manufacturing Curriculum Consortium's help, WCTC received $200,000 of a three-year $700,000 National Science Foundation grant to fund curriculum development and its dissemination through multi-media delivery formats for use by technical colleges, universities, and business and industry employers.

• WCTC academic scholarships totaling nearly $104,000 were awarded to 150 WCTC students to help finance their education at WCTC. An additional $50,000 in scholarships received from business and industry and private donors were awarded to 45 WCTC students.

• For the eleventh year, WCTC hosted Corporate Capers, which raised more than $84,000 and was the single largest fund raiser in Wisconsin for Special Olympics. WCTC hosted the third annual "Chipping in for Scholarships" golf outing raising $20,000 for the Technical Excellence Scholarship Fund. For the sixth year, WCTC hosted the TREK 100 bicycle ride, and over 1,200 riders participated in the event raising over $250,000 for the Midwest Athletes Against Childhood Cancer Fund.

• The Helen Bader Health Trust awarded WCTC a two-year grant for $44,578 to provide community-based nursing experiences for students and faculty in collaboration with the Community Nursing Clinic at health fairs held at community-based organizations, public schools, and small business in Waukesha County. Also, WCTC developed a care giver training package for Alzheimer's disease through a $93,000 Helene Fuld Foundation grant and is currently providing training at over 30 community-based facilities.

• WCTC has been approved as a Community Training Center for the American Heart Association. The College provides CPR training for over 1,000 people each year.

• The Community Nursing Clinic and staff won a community service award through the American Association of Critical Care Nurses.

• About 400 high school students and parents converged on WCTC for the April 2 Manufacturing Technology Career Night. The evening included a panel discussion featuring industry experts, high school and technical college representatives, and skilled trade professionals who explained the present and future needs of the skilled workforce, the best way to begin a skilled trade career, and the most enjoyable aspects of working in an occupation.

• Thirty middle and high school students from Waukesha and 45 middle school students from Milwaukee participated in the 1998 Career Quest. This program provides opportunities for minority youth to explore careers and to take field trips to business and industry. In 1998, WCTC received a $10,000 grant from Cooper Power Systems to help support this program.

• Fifty-three boys and girls from junior and senior high schools participated in the 1998 Summer Tech Camp that provided them with career information and hands-on experience in technical occupations.

• Careers in Automotive- Reach for Success was offered by the WCTC Women's Development Center for 29 women interested in the automotive industry to learn basic automotive concepts, explore career opportunities, and acquire skills necessary to be successful in a nontraditional career.

Also, the Women's Development Center hosted a Teen Single Parent Day for 51 area high school students and twelve teachers attended "hands-on" sessions to evaluate careers available to them through education, met role models, and toured WCTC.

• The Great Blue Heron Girls Scouts, the YWCA of Waukesha, the West Suburban branch of the American Association of University Women and the WCTC Women's Development Center presented "Expanding Your Horizons." One hundred and nine girls looked at careers in the media. Twenty-one mothers viewed "Short Changing Girls–Short Changing America" and discussed the importance of girls developing math skills.

Other significant accomplishments of the last five years included:

• WCTC celebrated its 10th anniversary of its Quality Value Program in 1997.

• WCTC cooperated with nine public and private entities to open the Waukesha County Workforce Development Center that received the GFOA (Government Finance Officers Association) 1996 Louisville Award for Innovation in Government Finance.

• In 1995, WCTC received one of the first annual Governor's Diamond Awards to recognize organizations that have programs, practices and support systems to help women and minorities advance to leadership roles.

• In 1994, WCTC was awarded its first Aaa bond rating.

• In 1993, WCTC was the first educational entity in North America to receive the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting.

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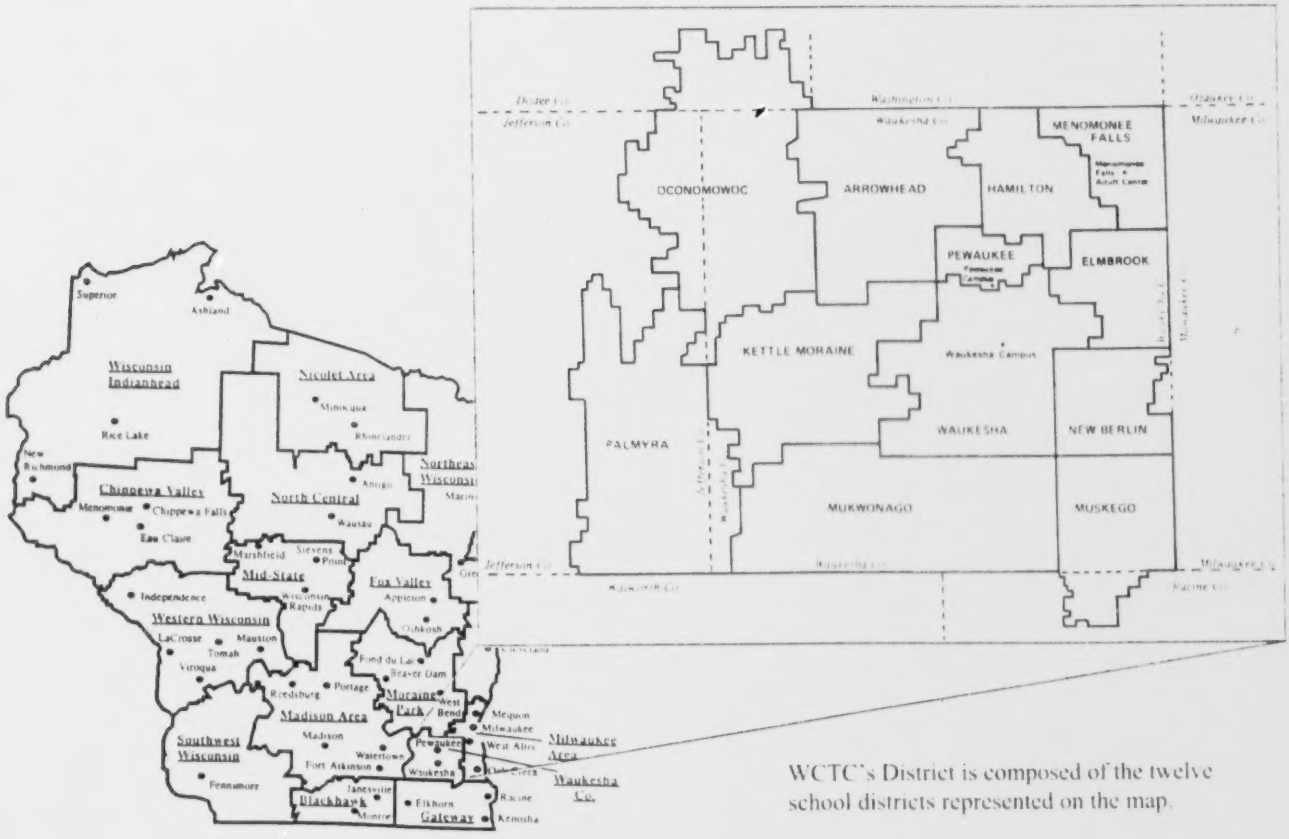
BRIEF HISTORY, PROFILE & MAP

"Flexibility and innovation require people who easily learn, not people who are easily taught."

~ Rosabeth Moss Kanter

For 75 years WCTC has been helping people acquire the knowledge and skills that will help prepare them for a rewarding future. Vocational, technical, and adult education in Wisconsin began as the first comprehensive statewide continuation school system in the United States as a result of state legislation passed in 1911. WCTC is one of 16 technical colleges in the Wisconsin Technical College System. The System was developed and continues to be sustained and improved by strong support from both labor and management in Wisconsin. WCTC offers associate of applied science degree programs, technical diploma programs, advanced technical certificates, apprenticeship programs, and other adult education services. WCTC is accredited by the North Central Association of Colleges and Schools; also, many occupational programs are professionally accredited.

Located in Pewaukee, Wisconsin, WCTC's main campus is approximately 20 miles west of the City of Milwaukee and 60 miles east of the State Capital in Madison. WCTC's boundary encompasses approximately 600 square miles in the southeastern corner of the state, serving 99% of Waukesha County, 9% of Jefferson County, 2% of Dodge County, 2% of Racine County, and the local municipalities (6 cities, 21 towns and 19 villages) located therein.



WCTC's District is composed of the twelve school districts represented on the map.

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OPERATIONAL & FINANCIAL REVIEWS

WCTC employs a group of trained professionals who provide guidance and assistance in conducting operational reviews of our educational programs and services to determine how we are meeting our customers' needs. Operational reviews include program evaluations designed to ensure that our curriculum is closely linked to labor market needs and service unit evaluations designed to ensure that our services are meeting customer needs.

Throughout the year, WCTC subcontracts with the certified public accounting firm of Virnig SC to provide focused internal auditing services including operational and financial reviews of our business practices, financial records, internal controls and accounting systems.

"Stewardship begins with the willingness to be accountable...

Auditing's deeper purpose is to support stewardship responsibilities at every level."

~Peter Block

WCTC retains the independent public accounting firm of KPMG Peat Marwick LLP to review our accounting procedures and internal controls, to audit our financial records, and to express an opinion on our comprehensive annual financial report (CAFR) which is prepared in accordance with generally accepted accounting principles (GAAP). Governmental financial reports, such as this FACTS report, are evolving to provide summarized financial information to citizens and other users that supplement an audited CAFR. Our FACTS report is prepared in a format similar to consolidated financial statements of private corporations and presents aggregated financial condition (position) and financial activity (total costs and revenues) absent authoritative GAAP guidance from the Governmental Accounting Standards Board on the report's format and content.

KPMG Peat Marwick LLP

777 East Wisconsin Avenue
Milwaukee, WI 53202

Independent Auditors' Report

Board Members
Waukesha County Technical College:

We have audited, in accordance with generally accepted auditing standards, the general purpose financial statements of Waukesha County Technical College as of and for the year ended June 30, 1998 (not presented herein), and have issued our report thereon dated October 2, 1998.

As explained on Page 1, the accompanying summary financial information (referred herein as FACTS) of Waukesha County Technical College, as of and for the year ended June 30, 1998, is not a presentation in conformity with generally accepted accounting principles. In our opinion, however, the accompanying summary financial information is fairly stated, in all material respects, in relation to the general purpose financial statements from which it has been derived.

KPMG Peat Marwick LLP

October 2, 1998

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FINANCIAL CONDITION

"Moody's has assigned a Aaa rating to Waukesha County Area Technical College . . . due to the district's wealthy and diverse economic base, consistently strong financial operations and favorable debt position."

~ Moody's Investor Service

WCTC remains financially sound. The facing page provides a financial condition summary based on assets and liabilities of all WCTC funds and account groups. Not reflected in the asset amounts presented on the facing page is the fact that WCTC has an excellent team of employees (over 1,300) and Board members who provide services to our community and who protect the value of the public investment in WCTC. Our workforce and our community are the real foundation of WCTC's extremely sound financial condition.

Assets

Cash, investments, receivables and other current assets are secure and available to finance the current liabilities and operating costs of WCTC.

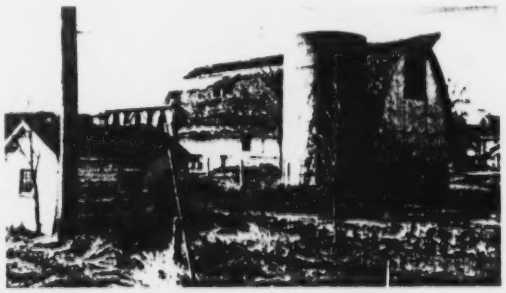
Fixed assets represent long-term investments in buildings and equipment and are not generally available to fund operating costs. Fixed assets reflect historical costs without accumulated depreciation for governmental assets. (Current governmental accounting standards do not support the need for depreciation information normally presented for private businesses.) Overall, WCTC's fixed assets are near the midpoint of their normal useful lives; and the replacement cost of these fixed assets would be about 210% of historical costs. However, WCTC's fixed assets should outlive their normal useful lives because of our preventive maintenance programs.

Liabilities

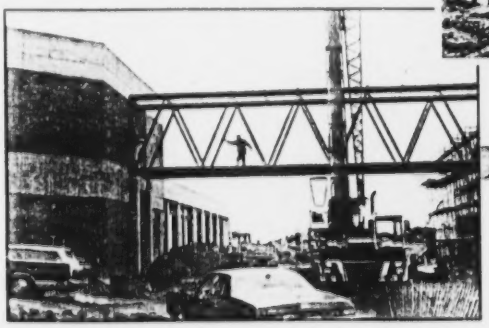
Payroll, compensated absences, retirement and post-employment health insurance benefits liabilities are commitments to current and past WCTC employees. Liabilities for compensated absences, retirement plans and post-employment health insurance benefits for retired employees are funded by our current assets and by pension plans administered by the State of Wisconsin. The long-term portion of these liabilities for active employees will be funded primarily through future operational property tax levies. This year WCTC made a lump-sum payment of $1,772,000 to the Wisconsin Retirement System to retire an unfunded pension liability.

Within two months of fiscal year end, substantially all deferred revenues are earned and recognized as revenue when outstanding property taxes (included in assets - receivables) are collected.

Long-term notes (currently unfunded) will be funded through future property tax levies for debt service.



The Steele Farm-Soon to be the Pewaukee campus.



Construction at the Pewaukee campus.

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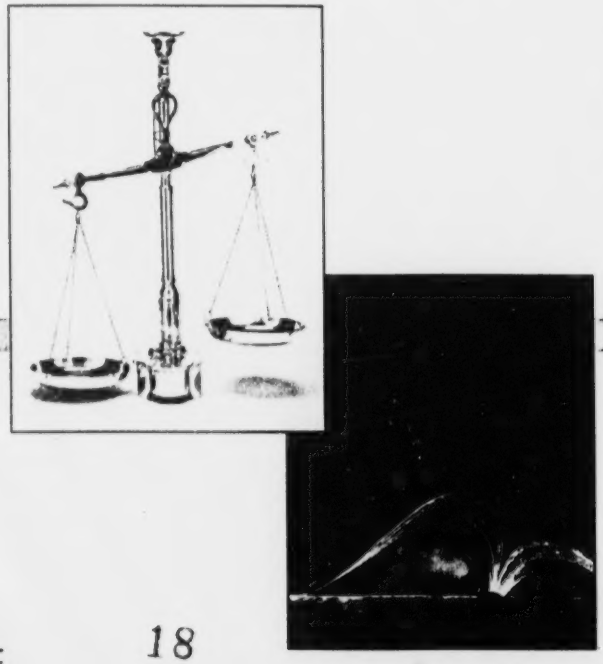
CONDENSED BALANCE SHEET AS OF JUNE 30

(Amounts in Thousands)

	1998	1997
Assets		
Cash & Investments	$17,222	$17,817
Property Tax & Other Receivables	8,918	8,566
Other Current Assets	1,657	920
Fixed Assets	34,344	32,670
Total Assets	**$62,141**	**$59,973**
Liabilities		
Accrued Payroll & Other Accounts Payable	$2,945	$2,173
Compensated Absences	1,365	1,150
Retirement Plans	-	1,772
Post-Employment Health Insurance Benefits	11,974	10,109
Deferred Revenue	5,580	4,920
Long-Term Notes	7,091	7,470
Total Liabilities	**$28,955**	**$27,594**
Assets Less Liabilities	**$33,186**	**$32,379**

Education is a high leverage investment. Education gives people leverage to improve the future.

"Give me a lever long enough . . . and single-handed I can move the world."
~ Archimedes



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FINANCIAL ACTIVITY

"In this period of heightened accountability for public service providers, WCTC's FACTS report establishes an outstanding model for informing citizens."

~ Edward Chin, State Director of the Wisconsin Technical College System

Ongoing efforts to limit operational cost increases and to improve the effectiveness and efficiency of services have contributed to our sound financial condition and our favorable outlook for the future. The facing page provides a financial activities summary of resources received and resources utilized (on an actual, not a budgetary basis) by all WCTC funds.

Resources Received

Local property taxes continue to provide over 60% of WCTC's total revenue.

WCTC is on a three-year planning cycle for capital outlays for equipment that generally results in a major borrowing annually.

Resources Utilized

Primary college operational costs (which are central to our mission) are accounted for in WCTC's General Fund. Lump-sum payments to the Wisconsin Retirement System for unfunded pension liabilities of $1,772,000 in 1998 and $750,000 in 1997 are distributed throughout the primary operational cost categories. Also, primary operational costs are increasing more rapidly than in prior years due to technological changes and other efforts at WCTC to provide more varied course scheduling, advanced course work, and distance learning opportunities for students and to upgrade our computer information systems and business processes for the year 2000 and beyond. Year 2000 compliant administrative software systems were implemented over the last three years, and WCTC plans on having these systems completed by June, 1999.

Costs related to federal and state-funded contract and grant activities are accounted for in WCTC's Special Revenue Fund.

Capital outlays for fixed asset acquisition and capital improvements are financed primarily by debt proceeds which are repaid through debt service property tax levies.

Enterprise expenses are generally paid for by related user charges, which are included in other revenues.

Trust fund expenses and other related revenues are accounted for in WCTC Trust Funds, which are segregated for students and other groups.

Resources Received Less Resources Utilized

Consistent with budgetary planning for 1998, the resources utilized in excess of resources received were provided for by General and Debt Service Fund Balances.

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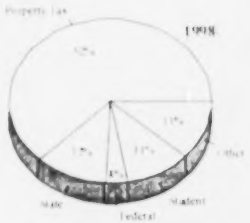
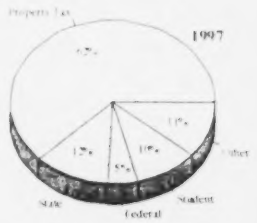
CONDENSED STATEMENT OF RESOURCES RECEIVED & UTILIZED FOR THE YEARS ENDED JUNE 30

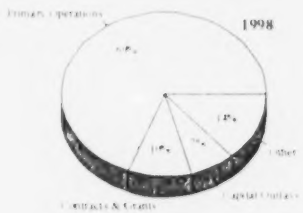
(Amounts in Thousands)

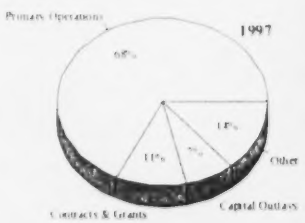
	1998	1997
Resources Received		
Revenues:		
Property Taxes	$32,669	$31,076
State	6,087	5,863
Federal	2,141	2,316
Student Tuition & Fees	5,532	5,239
Other	6,020	5,287
Total Revenues	**52,449**	**49,781**
Proceeds From Long-Term Debt	3,740	3,960
Total Resources Received	**$56,189**	**$53,741**





Resources Utilized		
Primary College Operational Costs:		
Instructional	$26,557	$23,553
Instructional Support, & Student Services	4,656	4,074
General Institutional	4,926	3,983
Facility Services	3,482	3,111
	39,621	34,721
Contract & Grant Related Costs	5,886	5,632
Capital Outlays	4,100	3,821
Debt Service	4,504	3,818
Enterprise Expenses	2,106	2,055
Trust Fund Costs	1,144	1,230
Total Resources Utilized	**$57,361**	**$51,277**





Resources Received Less Resources Utilized	**($1,172)**	**$2,464**

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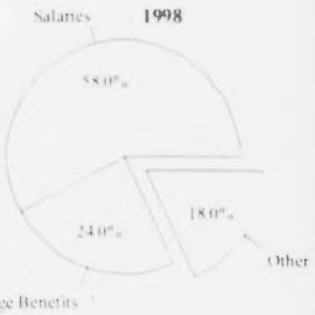
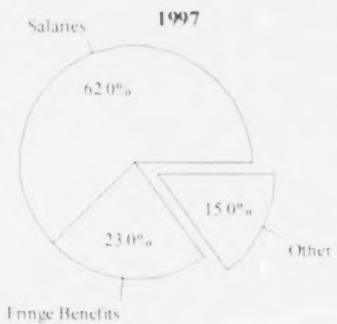
PRIMARY COLLEGE OPERATIONS

Primary ongoing college operations (primarily funded by local property tax revenue) provide the majority of student and instructional services and are accounted for in WCTC's General Fund. The majority of WCTC employees (over 1,000) are accounted for in the General Fund.





General Fund Costs by Classification

Of the $39.6 million of 1998 primary operational costs accounted for in WCTC's General Fund, only 18% was not spent for employee compensation (salaries or fringe benefits) compared to 15% of the $34.7 million of the 1997 primary operational costs. Therefore, total employee compensation increased about 10% from $29.5 million in 1997 to $32.5 million in 1998. Full and part-time faculty salaries account for over half (about 55%) of the General Fund salary expenditures in 1998 and 1997.

"Our economic well-being and the continued success of capitalism depend on efficient and effective organizations of all types."
~ Charles Handy

$13.9 Million

1998

$14.6 Million

1997

General Fund Balance

The $13.9 million of 1998 General Fund Balance is primarily reserved for post-employment benefit liabilities and provides operational working capital that eliminates the need for short-term borrowing.

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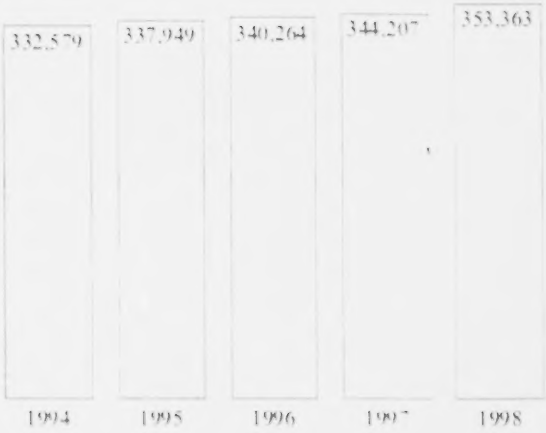
UNEMPLOYMENT & PER CAPITA STATISTICS

Unemployment Rate

In WCTC's taxing district, the unemployment rate was 2.7% in 1998. The average rate was 2.9% for the last five years with a high of 3.7% in 1994 and a low of 2.5% in 1996.



Population

The district population of 353,363 in 1998 has grown 2.7% over the last year and 6.2% over the last five years.

John A. Arnold, Machine Shop Instructor.
1924-1959

Per Capita Statistics

Year	WCTC Net Bonded	WCTC Tax Levy	Local Direct & Overlapping Debt	Equalized Property Valuation
1994	$28	$80	$1,194	$52,450
1995	24	85	1,325	56,537
1996	18	89	1,578	61,392
1997	20	91	1,461	64,994
1998	20	92	1,797	67,525

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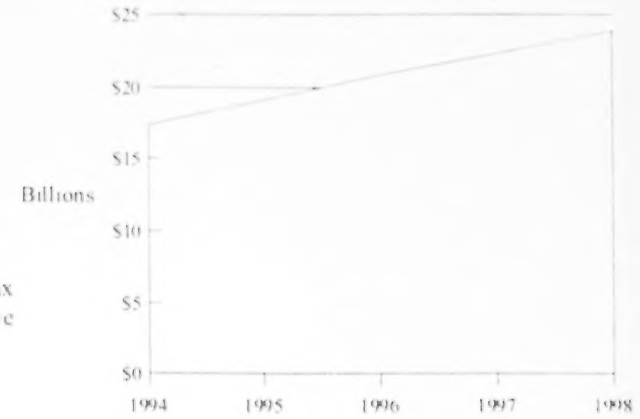
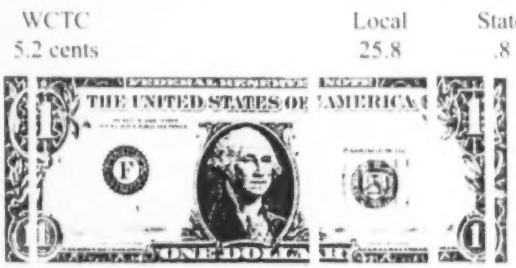
PROPERTY VALUES & TAXES

"Taxpayers' investments in our Wisconsin Technical College System and specifically Waukesha County Technical College help make Wisconsin a great place for our citizens to live, to work, to learn and to raise a family."

~ Tommy Thompson, Governor of the State of Wisconsin



Equalized Property Value
The equalized value for WCTC's property tax base has increased over 36% over the last five years from $17,443,707,000 in 1994 to $23,860,813,000 in 1998.



WCTC 5.2 cents
Local 25.8
State .8
Other school districts 54.9
County 13.3

How the Property Tax Dollar Was Spent in 1998
For every property tax dollar in WCTC's taxing district, an average of 5.2 cents came to WCTC in 1998 and 5.5 cents came to WCTC in 1997.

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Property Tax Rates per $1,000 of Equalized Valuation

The total tax rate was $1.36 in 1998, and the five year average was $1.44. The operational rate was $1.21 in 1998, and the five-year average was $1.29. The debt service rate was $.15 in 1998, and the five-year average was $.15.

WCTC's Property Tax on a $150,000 Home

The property tax assessed by WCTC on a $150,000 home purchased in Waukesha County dropped by 2.3% in 1998 to about $205 from $210 in 1997.

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STUDENT INFORMATION

Adults from 25 to 45 years old are WCTC's primary target market. The average age of our student body is over 35. Most students attending our college do not graduate from our programs because they generally want to gain specific knowledge or need to learn specific skills for employment which individual courses provide. Many employed individuals continue to take a few courses annually and may complete a program in over five years. WCTC has many part-time students. Less than one out of every 15 students carries more than 12 credits per semester.

Associate degree, advanced technical certificate, technical diploma, occupational continuing education and community service programming is offered by WCTC. The number of contact hours necessary to generate one full-time equivalent (FTE) student varies between approximately 600 student contact hours for associate degree program students to 1,200 contact hours for community service students. An FTE student is equivalent to 30 credits per year based on a somewhat unique Wisconsin Technical College System calculation.

"Effectiveness is the foundation for success–efficiency is a minimum condition for survival after success has been achieved."

~ Peter Drucker

Cost per Student Contact Hour

Student contact hours result from the credit hours for which students pay tuition and are scheduled to attend class. Our "cost per student contact hour" is an efficiency measure that is superior to the "cost per FTE student" because it factors out significant fluctuations in student FTEs due to contact hour variation caused by student course mix changes. In 1998, primary operational costs in our General Fund increased 14.1% while student contact hours decreased .6% causing a 14.7% increase in our average cost per contact hour. A major cause of our high cost per student contact hour is our low classroom teacher-student ratio of about 15 to 1 which is consistent between years and within our Wisconsin Technical College System. Significant technological changes, new distance learning and nontraditional offerings, a $1.7 million lump-sum pension payment, funding of post-employment benefits and non-contact hour generating services are factors that contributed to our high cost per contact hour increase in 1998.

	1994	1995	1996	1997	1998
Individual Students	33,759	32,046	35,009	34,802	35,189
FTE Students	3,499	3,285	3,287	3,316	3,277
Average Class Size	15.8	15.8	15.4	14.8	14.5
Student Contact Hours	2,895,897	2,789,859	2,794,259	2,821,709	2,805,214
Contact Hours/FTE Student	828	849	850	851	856
Average Hours/Student	86	87	80	81	80
Primary Operational Costs	$29,136,000	$31,521,000	$33,738,000	$34,721,000	$39,621,000
Cost/Student Contact Hour	$10.06	$11.30	$12.07	$12.31	$14.12

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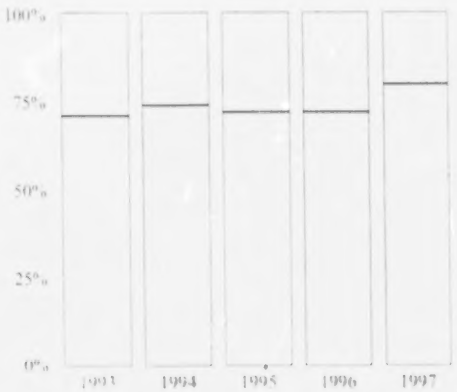
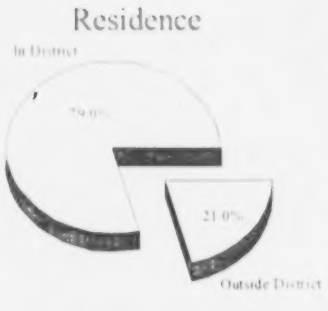
GRADUATE FOLLOW-UP

WCTC conducts comprehensive program graduate follow-up surveys about 6 months after graduation. Our 1997 graduate statistics are the most recent statistics currently available. The following graphs do not reflect students who take courses but do not graduate from our programs.



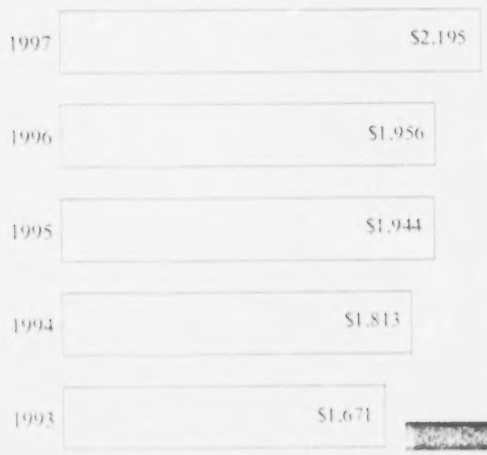
Percent of Graduates Employed in Related Occupations

The percentage of graduates employed in positions related to their WCTC educational programs was at 80% in 1997 and averaged 74% over the last five years.



Percent of Graduates in Taxing District

In 1997, the percentage of graduates residing in WCTC's taxing district was 79% compared to 76% for the prior year; and the percent working in the district was 55% compared to 51% in 1996.



Average Monthly Salary for Program Graduates

In 1997, program graduates working in occupationally-related positions were earning an average salary of $2,195 per month or $26,340 annually, which is 12% more than 1996 program graduates earned.

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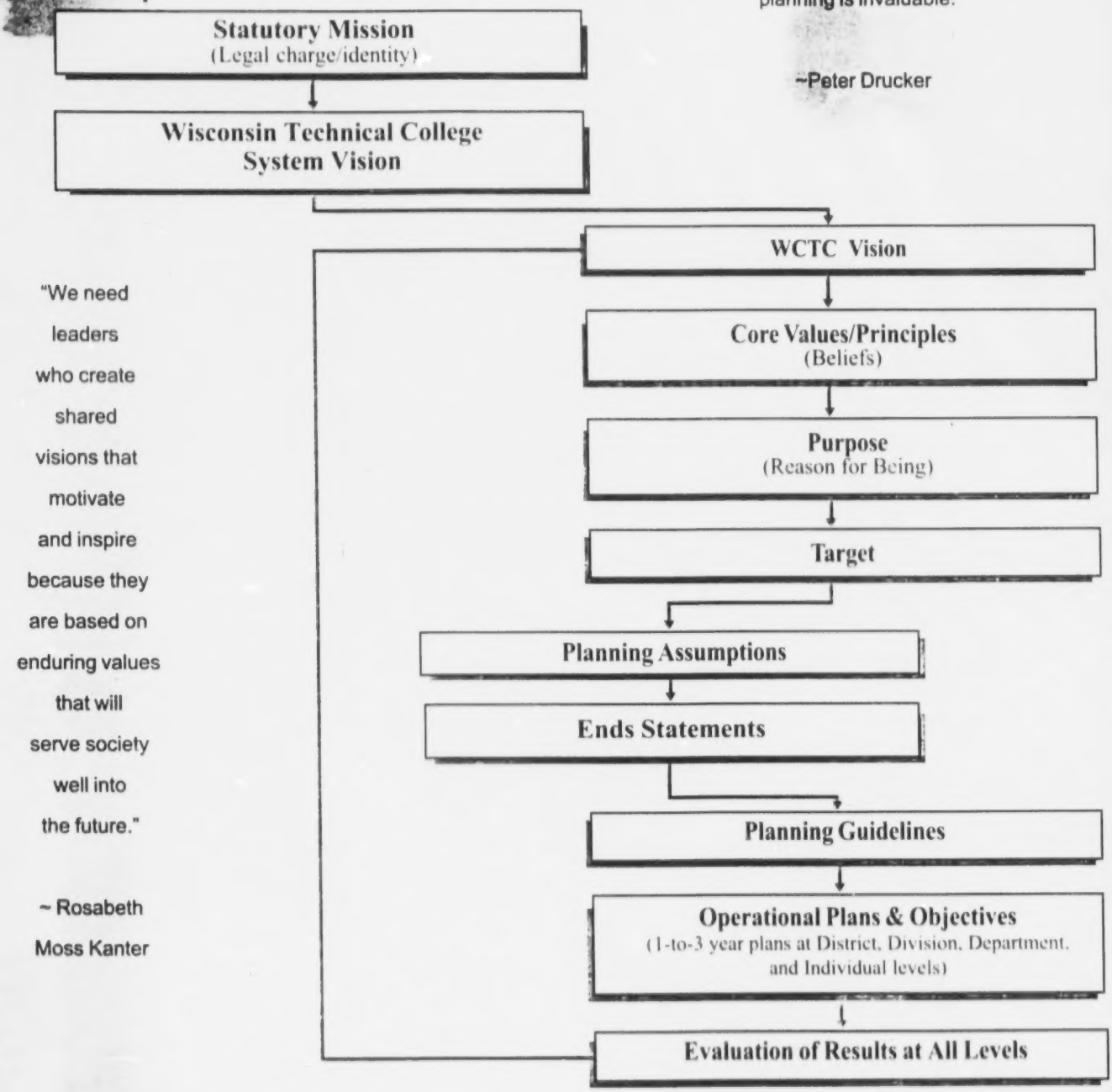
PLANNING PROCESS

" Plans are worthless, but planning is invaluable. "

~Peter Drucker



"We need leaders who create shared visions that motivate and inspire because they are based on enduring values that will serve society well into the future."

~ Rosabeth Moss Kanter

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POPULAR REPORTING AWARD

The Government Finance Officers Association (GFOA) of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to WCTC for our 1997 FACTS report. This prestigious award recognizes conformance with the highest standards for preparation of state and local governmental popular reports. In order to receive this award, a governmental entity must publish a popular financial report that conforms to GFOA program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe this 1998 FACTS report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it again to the GFOA.

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

WAUKESHA COUNTY TECHNICAL COLLEGE

For the fiscal year ending June 30, 1997

Douglas R Ellsworth
President

Jeffrey L. Esser
Executive Director

In a world economy, WCTC will continuously improve its services to meet the technical and vocational training needs of our students, employers and community.

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Waukesha County Technical College
WCTC
Knowledge Working
800 Main Street
Pewaukee, WI 53072

Non-Profit Org.
U.S. Postage
Pewaukee, WI
53071
Permit No. 72195

WCTC's Vision

Waukesha County Technical College is the leader in workforce development for Waukesha County.

Purpose

Students will achieve occupational and personal success through lifelong learning at WCTC.

Target

All of our students and other customers will state that their experiences with WCTC were a wise use of their time and money.

Core Values and Principles

- Student and Other Customer Focus.
  People are central to our mission. People learn best when they learn how to learn. We will meet or exceed student and other customer needs.
- Continuous Improvement.
  Lifelong learning is the key to occupational and personal growth. Quality is achieved through continuous personal and process improvements.
- Personal Empowerment.
  People have the capacity to change and to improve the quality of their lives. People will be treated with dignity and respect. Empowered people accept responsibility and strive to do their best.

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